

WASHINGTON STATE RETAIL SURVEY



2008 EDITION

I. Introduction

What is the Retail Survey?

The Retail Survey is an independent market research advisory publication that focuses solely on the Washington State retail market. In terms of geographical coverage, retail sector coverage, and sales trend data and analysis, it is believed to be the most comprehensive service of this type available on Washington's \$63 billion retail marketplace. The Survey is completely revised and updated annually.

What is the Retail Survey Designed to Do?

The Retail Survey is designed to provide a comprehensive review of retail sales activity in every county and city in the State of Washington. In total, the Survey reports on the historical sales trends in each of over 300 individual market areas in Washington, based on sales activity of over 65,000 individual retail outlets. In addition to historical sales trend data, the Survey also includes a wide range of statistical measurements that evaluate the past performance of individual markets and the prospects for future growth.

The Retail Survey has been designed so that it can be used productively by a wide range of customers that find it necessary to track and analyze retail markets in Washington. Using the Survey, business executives with varied backgrounds and objectives can substantially improve their ability to make informed decisions.

(1) The Independent Retailer, who needs to know how his or her local market is performing, can rely upon the Retail Survey to provide a detailed examination of sales activity by type of retail store, and what the prospects are for growth in the future. Using these sales data, market indices and rankings, the independent retailer is better prepared to forecast his/hers store's future performance.

(2) The New-To-Market Retailer, who needs to know the size of the market, and long-term trends, can rely upon the Retail Survey to provide the market research that will be needed to help launch a new business. Before the new-to-market retailer opens the door, short-term and long-term trends will have been identified and factored into the company's business plan. Fewer surprises substantially increase the chance of launching a successful new venture.

(3) The Marketing Manager for a wholesaler or manufacturer, who wants to pinpoint the fastest growing markets, can rely upon the Retail Survey to decide where to concentrate advertising and promotion efforts to guarantee greatest impact. Assigning sales staff to geographical territories can be accomplished with a greater degree of confidence, and distribution channels can be reviewed and modified based on changing market conditions and trends.

(4) Bankers and Financial Advisers use the Retail Survey data and analytical measurements as benchmarks to evaluate how their individual retail clients are performing compared to market averages, and identify problem areas at an earlier stage.

(5) Government Officials, with responsibilities for urban planning, tax revenue forecasting and economic development, can quickly utilize the Retail Survey to compare the performance of their community with neighboring cities and counties, identify areas of weakness and competitive advantage, and develop more effective policy initiatives.

(6) Providers of Business Services, such as accounting firms, real estate brokers, and advertising firms, can efficiently track retail trends in their market area, and identify retail sectors offering the best opportunities for new client development.

(7) Chain store and Supermarket Executives, who need to plan site location strategies, can quickly narrow down the list of potential expansion locations, identify market areas that are presently under-served, and easily track their store's sales performance compared to the overall market.

(8) Real Estate Appraisers, who are responsible for analyzing local market trends and their impact on real estate values for retail properties, use the Survey's extensive data and analysis to accurately identify supply and demand conditions that have important affects on property values.

(9) Media Executives, in television, radio, and newspapers who are responsible for marketing and advertising strategies, use the Survey to keep track of their local retail market, identify fast-growing retail sectors to target for new advertising revenue, and compare local retail trends with surrounding areas.

The Survey's Unique Features

The Washington State Retail Survey has been designed with several objectives in mind: (1) comprehensive coverage of the market (2) ease of use by a wide range of customers regardless of their professional background, and (3) the use of objective analytical measurements that improve the ability of customers to understand the retail sales trends in each market, and to quickly compare growth performance among various areas.

These objectives have resulted in the Retail Survey containing a number of unique features that deserve to be highlighted:

(1) Broad Coverage

The Washington State Retail Survey provides detailed report on each of Washington's 39 counties and 290 cities in Washington. Retail sales data are broken down in detail for 30 separate retail store categories. This is believed to be the most comprehensive coverage of the Washington retail marketplace available anywhere.

(2) Four Key Market Measurements-

Performance Index
Relative Strength Ratio
Growth Persistence Index
Star Rating

These four key market measurements allow Survey users to quickly understand the relative trends in each geographical market, and to accurately compare past performance and future prospects for growth among the markets of interest.

The Performance Ranking provides an easily understood measurement of one market's growth rate in the current year compared to all other markets in Washington. The rankings for each market range from 1 to 5, with 20% of the markets with the highest recent growth rate being assigned the 1 ranking.

The Relative Strength Ratio measures the long-term retail sales growth trend in one local market compared to growth fluctuations in statewide retail sales. Since the Ratio covers a period of the last five years, it provides Survey users with an easily understood comparison of longer-term sales growth trends, relative to statewide averages. The ratio is derived by dividing the percentage increase in retail sales in a specific county or city over the past five years by comparable percentage increases for total statewide retail sales.

The Growth Persistence Index measures the ability of a local market to consistently out-perform the overall market each year. This measurement is used to differentiate markets with steady, above average growth from those that experience wide fluctuations in their relative growth performance.

The Star Ratings provide Survey users with a clear assessment of a market's growth compared to all other markets in Washington. Markets that have grown the fastest over the last five years are given the five-star rating.

(3) Retail Sales Data

Individual market reports appearing in the Washington State Retail Survey contain eleven years of sale data for up to 30 individual retail store categories. The Retail Survey also contains data on Per Capita Retail Sales in each of the past eleven years for these same 30 retail store categories. These data provide the basis for preparing the analysis and rankings of each local market. Lastly, a Washington State Composite report is included in the Survey to provide an overview of aggregate retail sales activity for the entire state over the last eleven years, and can be used as a reference point when comparisons of statewide and local retail conditions are desired. The Washington State Composite report can be found in Section A of the Survey.

(4) Retail Sales Forecasts

Lastly, the Survey provides a one-year forecast of retail sales for each of Washington's 39 counties and 290 cities.

Organization

The Survey is organized so that users can easily find and use the data they require with a minimum of time and effort. The Survey is divided into the following sections:

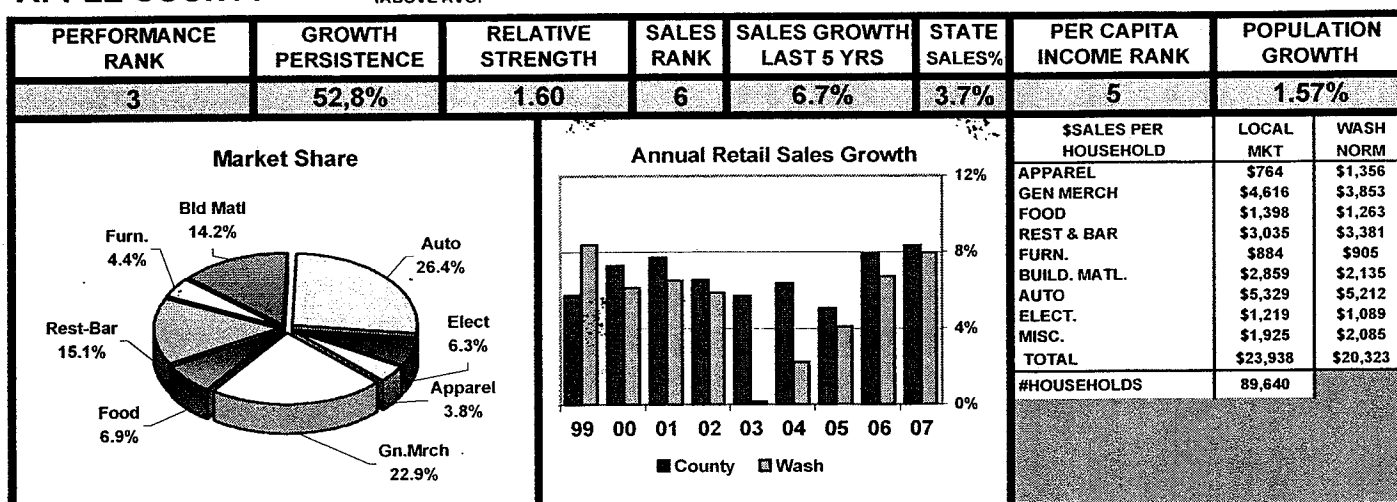
- * How to Use the Survey
- * Section A- Counties Sales Reports
- * Section B- Large Cities Sales Reports
- * Section C- Smaller Cities Sales Reports
- * Section D- Retail Sector Sales Reports
- * Section E- Summary County Rankings & Indices
- * Section F- Summary of City Rankings & Indices

APPLE COUNTY

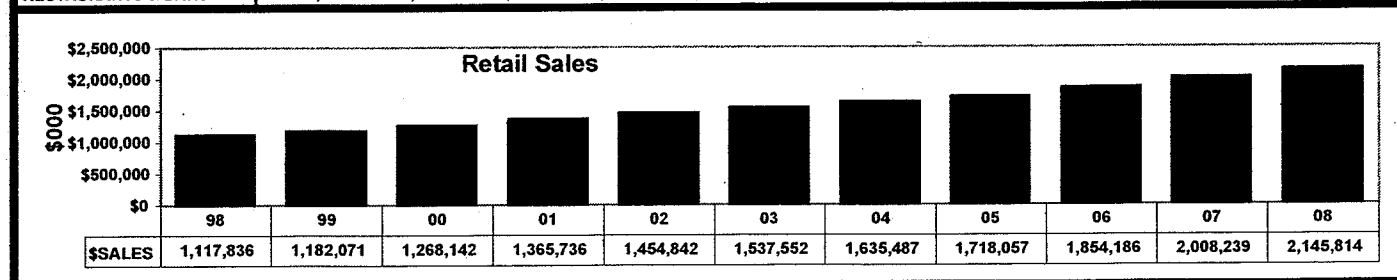
RATING
(ABOVE AVG)



SALES REPORT & RANKINGS



RETAIL SALES (\$000)	98	99	00	01	02	03	04	05	06	07	08	GROWTH
RETAIL SALES TOTAL	1,117,836	1,182,071	1,268,142	1,365,736	1,454,842	1,537,552	1,635,487	1,718,057	1,854,186	2,008,239	2,145,814	6.7%
AUTO GROUP	215,560	227,540	260,441	290,682	333,386	354,068	401,229	410,174	416,213	446,193	477,704	6.0%
NEW & USED AUTO DLR	165,315	173,387	198,972	220,571	264,806	290,364	330,773	333,851	332,523	350,903	375,684	5.8%
RV, BOAT, M/CYCLE	19,363	20,471	26,383	33,739	30,542	25,175	29,796	35,558	40,027	49,782	53,298	10.3%
AUTO PARTS & TIRES	30,882	33,682	35,087	36,372	38,039	38,530	40,660	40,765	43,663	45,508	48,722	3.7%
HOME FURN GROUP	36,039	37,683	40,595	46,187	43,546	39,679	45,310	49,024	58,867	73,988	79,213	11.2%
ELECTRONICS GROUP	63,868	69,183	74,620	75,405	68,484	77,852	68,524	73,550	92,293	106,005	109,242	9.1%
APPL., TV, OTHER ELECT	44,178	45,228	44,312	37,782	40,560	39,211	42,322	44,974	61,959	69,047	73,923	11.2%
COMPUTER & S/TWARE	17,034	21,092	27,128	34,448	24,266	35,420	22,632	25,000	26,784	32,989	35,318	6.3%
CAMERA & PHOTO SPLY	2,656	2,863	3,180	3,175	3,658	3,221	3,570	3,576	3,550	3,970	4,250	1.6%
BUILD MATL GROUP	117,408	121,902	130,634	140,711	143,363	146,992	158,005	193,194	227,161	239,357	256,260	10.8%
BUILD MATERIALS	110,671	114,760	122,428	130,982	132,923	133,343	143,408	178,712	211,051	222,891	238,632	10.9%
LAWN & GARDEN SPLY	6,737	7,142	8,206	9,729	10,440	13,649	14,598	14,482	16,111	16,466	17,629	9.5%
FOOD & BEV GROUP	78,475	80,959	86,588	92,355	100,788	102,401	105,355	104,909	117,133	117,063	125,330	3.0%
GROC & CONV. STORES	76,287	76,417	80,801	86,346	94,905	96,784	100,302	100,518	113,808	113,679	121,707	3.7%
OTHER FOOD & BEV	2,189	4,542	5,788	6,009	5,883	5,617	5,053	4,390	3,325	3,384	3,623	-10.5%
DRUG/HEALTH STORES	28,449	27,343	28,051	28,723	29,195	30,786	29,582	28,042	34,506	37,222	39,850	5.0%
SERV STATIONS GROUP	19,760	22,262	23,741	28,103	32,718	32,589	31,981	31,947	35,500	41,808	44,760	5.0%
APPAREL GROUP	33,190	36,595	39,917	44,470	50,615	59,898	58,930	61,814	63,446	63,967	68,485	4.8%
CLOTHING & SHOES	25,062	28,279	30,999	35,042	40,158	49,160	47,764	47,263	49,572	48,327	51,740	3.8%
JEWELRY & LUGGAGE	8,128	8,316	8,918	9,428	10,457	10,738	11,166	14,551	13,874	15,640	16,745	8.4%
SPECIALTY GROUP	50,690	56,531	57,050	61,297	66,733	69,029	69,111	66,393	69,579	68,775	73,632	0.6%
SPORT GDS, TOYS	36,485	40,860	39,976	42,898	46,767	49,136	49,447	47,754	51,306	51,632	55,278	2.0%
BOOKS/MUSIC	14,205	15,671	17,074	18,399	19,966	19,893	19,664	18,639	18,273	17,143	18,354	-3.0%
GEN MERCH GROUP	231,323	241,505	249,153	262,832	274,319	289,357	321,950	345,363	363,538	386,463	413,755	7.1%
DEPT STORES	139,875	141,608	141,444	142,877	146,824	153,676	159,320	153,615	154,109	161,157	172,538	1.9%
GEN MERCH STORES	91,449	99,898	107,708	119,955	127,495	135,681	162,629	191,748	209,429	225,306	241,217	12.1%
E-COMMERCE	2,913	2,873	3,017	2,821	3,579	4,214	4,462	5,213	8,589	12,167	13,026	27.7%
MISC RETAILERS	87,984	95,974	103,257	112,732	117,649	127,115	127,857	127,185	127,783	161,159	172,540	6.5%
RESTAURANTS & BARS	154,187	161,722	171,077	179,418	190,468	203,571	213,190	221,249	239,578	254,073	272,016	5.9%



Summary: The Performance Rank of 3, measuring sales growth in the most recent year, is avg. Over the past 10 yrs, the Growth Persistence Index (52.8%) has been high, while the 5 yr Relative Strength Ratio of 1.60 is above the state norm of 1.0. In total sales, the county's rank is 6, while the Per Capita Sales Rank is 4. Population Growth has averaged 1.57% over the past 5 yrs, compared to a statewide norm of 1.20%

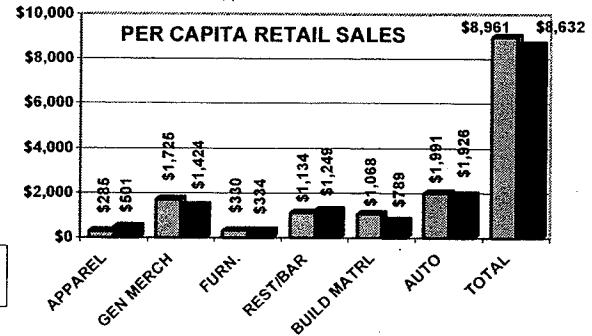
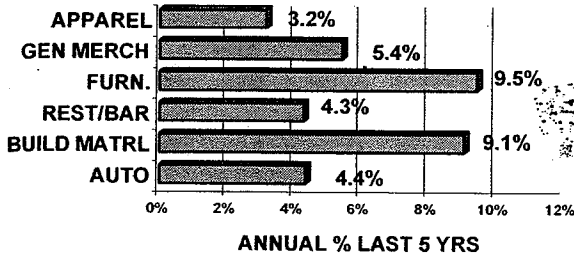
Per Capita Sales are \$8,961, and have been growing at an annual rate of 5.0%. By comparison, total retail sales have been growing at an annual rate of 6.7%. Note: Growth Rates in far right column are annual for period 2002-2007. Sales data for 2008 are forecasts and subject to future adjustment.

APPLE COUNTY

SALES REPORT & RANKINGS

PER CAPITA \$ SALES	PER CAPITA SALES GROWTH	PER CAPITA SALES RANK	POP. RANK	PERCENT STATEWIDE POP	MEDIAN AGE	HOUSEHOLD SIZE	POPULATION DENSITY
\$8,961	5.0%	4	8	3.582%	36.5	2.50	308

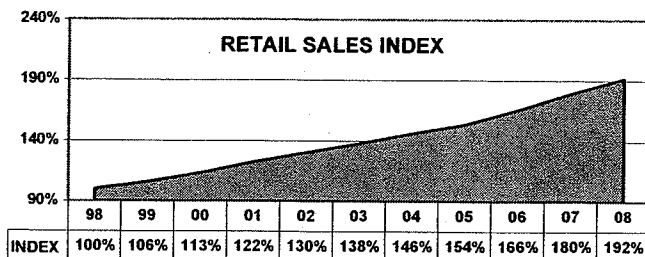
PER CAPITA RETAIL SALES GROWTH



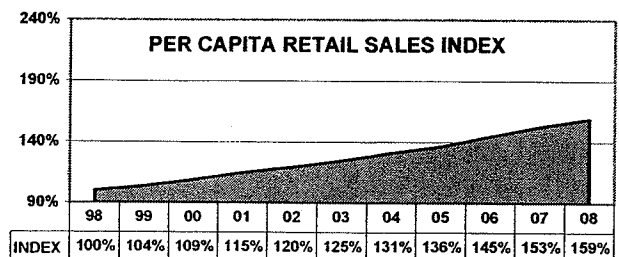
PER CAPITA RETAIL SALES	98	99	00	01	02	03	04	05	06	07	08	GROWTH
RETAIL SALES TOTAL	5,871	6,079	6,391	6,722	7,016	7,315	7,704	7,998	8,486	8,961	9,330	5.0%
AUTO GROUP	1,132	1,170	1,312	1,431	1,608	1,684	1,890	1,910	1,905	1,991	2,077	4.4%
NEW & USED AUTO DLR	868	892	1,003	1,086	1,277	1,381	1,558	1,554	1,522	1,566	1,633	4.2%
RV, BOAT, M/CYCLE	102	105	133	166	147	120	140	166	183	222	232	8.6%
AUTO PARTS & TIRES	162	173	177	179	183	183	192	190	200	203	212	2.1%
HOME FURN GROUP	189	194	205	227	210	189	213	228	269	330	344	9.5%
ELECTRONICS GROUP	335	356	376	371	330	370	323	342	422	473	475	7.4%
APPL., TV, OTHER ELECT	232	233	223	186	196	187	199	209	284	308	321	9.5%
COMPUTER & S/TWARE	89	108	137	170	117	169	107	116	123	147	154	4.7%
CAMERA & PHOTO SPLY	14	15	16	16	18	15	17	17	16	18	18	0.1%
BUILD MATL GROUP	617	627	658	693	691	699	744	899	1,040	1,068	1,114	9.1%
BUILD MATERIALS	581	590	617	645	641	634	675	832	966	995	1,038	9.2%
LAWN & GARDEN SPLY	35	37	41	48	50	65	69	67	74	73	77	7.9%
FOOD & BEV GROUP	412	416	436	455	486	487	496	488	536	522	545	1.5%
GROC & CONV. STORES	401	393	407	425	458	460	472	468	521	507	529	2.1%
OTHER FOOD & BEV	11	23	29	30	28	27	24	20	15	15	16	-11.9%
DRUG/HEALTH STORES	139	141	141	141	141	146	139	131	158	166	173	3.4%
SERV STATIONS GROUP	104	114	120	138	158	155	151	149	162	187	195	3.4%
APPAREL GROUP	174	188	201	219	244	285	278	288	290	285	298	3.2%
CLOTHING & SHOES	132	145	156	172	194	234	225	220	227	216	225	2.2%
JEWELRY & LUGGAGE	43	43	45	46	50	51	53	68	63	70	73	6.7%
SPECIALTY GROUP	266	291	287	302	322	328	326	309	318	307	320	-0.9%
SPORT GDS, TOYS	192	210	201	211	226	234	233	222	235	230	240	0.4%
BOOKS/MUSIC	75	81	86	91	96	95	93	87	84	76	80	-4.5%
GEN MERCH GROUP	1,215	1,242	1,256	1,294	1,323	1,377	1,516	1,608	1,664	1,725	1,799	5.4%
DEPT STORES	735	728	713	703	708	731	750	715	705	719	750	0.3%
GEN MERCH STORES	480	514	543	590	615	645	766	893	958	1,005	1,049	10.3%
E-COMMERCE	15	15	15	14	17	20	21	24	39	54	57	25.8%
MISC RETAILERS	462	494	520	555	567	605	602	592	585	719	750	4.9%
RESTAURANTS & BARS	810	832	862	883	919	968	1,004	1,030	1,096	1,134	1,183	4.3%

COUNTY TREND (YR)	98	99	00	01	02	03	04	05	06	07	08	GROWTH
POPULATION	190,409	194,440	198,435	203,167	207,355	210,200	212,300	214,800	218,500	224,100	230,000	
PER CAPITA INCOME(\$)	23,069	24,369	25,757	26,672	29,250	30,515	30,733	31,343	33,056	34,632	35,967	3.4%

RETAIL SALES INDEX



PER CAPITA RETAIL SALES INDEX



For new customers we recommend that the How to Use section be reviewed prior to using the Survey so as to become familiar with the terms and analytical measurements appearing in the Survey.

Next, customers should spend about fifteen minutes reviewing each of the sections to become familiar with the various types of reports and their characteristics.

II. Evaluating A Retail Market

The Washington Retail Survey's principal goal is to present as much accurate and relevant data and analysis as possible on each of Washington's local retail markets so that our customers can make informed and intelligent decisions based on their particular interests. Since each customer has his or her own specific needs, the manner in which the Survey will be used will take many forms. Even though individual needs and interests will vary among customers, all can benefit from using the Retail Survey.

Choosing the Markets

The first step in putting the Washington Retail Survey to practical use is to choose the market area or areas you wish to examine. The selection of the market(s) will of course depend upon the customer's particular objective. If your interests lie in only one specific market (one city, for example), your choice is simple...just turn to the appropriate page that contains that particular city's report. However, if your interests are broader, you can choose the markets to examine based on one or more criteria, such as geographical location (all cities in a specific county), by size (the top ten markets by volume of retail sales), or by various measurements of growth (all markets ranked No.1 or 2 for Performance). By using Section E and Section F, you're able to easily identify county and city markets that meet various types of selection criteria.

Or, you may begin by examining one of the Retail Sector Reports. For example, a quick review of the Clothing Sector Report in Section D will reveal the largest clothing store markets in Washington and their recent sales trends and performance, including four sector-specific graphs highlighting important trends within the sector.

These are but a few of the ways Survey users can narrow their field of interest. Since the Washington Retail Survey contains such a wide range of data, analysis, and cross comparisons among individual markets, users frequently develop their own unique methods to use the market reports to meet their individuals objectives.

Interpreting The Data - An Example

At first glance, an individual market report may appear overwhelming, but one does not need any specific professional background to put the data to productive use. To get a better grasp on how to use and interpret a typical market report, one will be examined step-by-step. For this exercise, we have developed a hypothetical market report called "Apple County".

This fictitious report, used only for illustration, contains in every detail the type of information, data and analysis that can be found in an actual county report contained in the Washington Retail Survey. Please refer to the previous two pages containing this Apple County report.

Rankings and Indexes

Starting at the top of the page, we first see that Apple County has a Sales Rank of 6. This means that based on actual volume of total retail sales, Apple County is the sixth largest among Washington's 39 counties. In other words, the retail market in this county is among the largest in the state, measured in absolute terms.

Next, we find that the Per Capita Sales Rank is 4, or fourth highest among the 39 counties. From this ranking, we learn that, on average, retail sales are much higher than one would expect based on the county's population size. Several reasons could account for this high per capita sales activity. One, it could be due to residents from adjacent counties spending their income in retail stores in Apple County, thereby pushing up the level of per capita sales, since Apple County's per capita sales is calculated only on its own population base. Another reason may be that the income level in Apple County is significantly higher than those found in most other counties, allowing Apple County residents to spend more on a per person basis.

Next, refer to the Per Capita Income Ranking of 5, also on the top section of the report. From this ranking, we learn that Apple County has the fifth highest per capita income among the 39 counties. In short, the residents of Apple County are among the wealthiest in Washington, explaining in part why the retail sales per capita are so high.

Recent Performance

On the far left hand side of the top section, we find that Apple County's Performance Rank is 3-average. The Performance Rank measures the growth rate in 2007 relative to all other counties. Rankings range from 1 to 5, with 1 assigned to the top performers.

With a Performance Rank of 3- average, we are told that Apple County has experienced retail sales growth that falls within the midpoint range during the most recent year in which actual sales data are available. Although an important measurement of current performance, it does not tell anything about how Apple County has fared over the longer term.

Long-Term Performance

Now go to the Relative Strength Ratio. The Relative Strength Ratio for Apple County is 1.60. This is interpreted as meaning that Apple County retail sales have grown 60% faster than statewide retail sales over the five-year period from 2002 through 2007. From the Relative Strength Ratio, we can determine how well or poorly Apple County's growth has been compared to statewide trends over this five-year period.

Future Prospects

Although the Relative Strength Ratio is an important measurement of assessing long-term trends, we also want to know how consistent is the growth in Apple County. Put another way, in any given year, what has been the likelihood that Apple County would experience a growth a rate in retail sales that exceed the statewide average growth rate?

To answer this question, refer to the Growth Persistence Index for Apple County. We find that the Index is 52.8%, compared to a perfect score of 100%. From this we learn that Apple County has done reasonably well in out-performing statewide growth rates over a period of years. For a complete description of interpreting the Growth Persistence Index, please refer to the Statistical Methods section appearing later in this section.

To complete our review of the uppermost section of the report, we now turn to the graphic presentation on the left of the page, entitled Market Share. Here, we see that the Auto sector in Apple County is the leading sector, accounting for 26.4% of all retail sales in the county, based on actual 2007 sales data. The next graphic section provides an historical comparison of Apple County and statewide sales growth rates from 1998 through 2007.

To the far right is found a table comparing dollar retail sales per household for Apple County (Local Market Column) to comparable data for the state as a whole. This table tells us that total retail sales per household in Apple County amount to \$23,338, compared to a statewide norm of \$23,323. Overall, Apple County household retail spending is very close to statewide norms, although there are modest differences when individual categories are examined.

These differences in individual categories is likely due to some combination of less than satisfactory selection/price within the county, and more attractive pricing/selection and marketing in adjacent markets.

Star Rating System

Each county and city market report includes a composite star rating at the top of the page. This composite rating reflects the individual market's sales growth rate relative to all other markets, over the past five years.

The top 20% of markets, ranked by sales growth, receive the five star rating. The next 20% of markets earn four stars (above average), followed by three stars (average), two stars (below average), and one star (lowest), in increments of 20% based on the five-year sales growth ranking.

With the star rating system, Survey users receive a clear view of how a specific local market compares with all other markets in terms of long-term sales growth. From this quick review of the first page of Apple County report, we have a much better understanding of this market's size, growth trends, spending patterns, and overall standing relative to other counties in Washington. It is one of the largest counties in terms of absolute sales volume and per capita income. It has a long-term tendency to grow faster than statewide averages, and its persistence to out-perform the statewide growth is rated average.

Its retail sales per household is comparable to the state norm, and given the relatively high income level, indicates that Apple County has the potential of pulling this spending back into the local area with a proper mix of retail stores.

Per Capita Retail Sales

To round out our overall understanding of the Apple County retail market, we must now examine several of the rankings displayed on the second page of the report. Based on 2007 data, Apple County has the 4th highest level of per capita sales, amounting to \$8,961. Over the past five years, the county's per capita sales have grown at an annual rate of 5.0%. At the bottom of the second page are two charts that compare the historical performance of total retail sales and per capita retail sales for Apple County.

When these charts are examined, we see that total retail sales have increased by 92% (Index=192) between 1998 and 2008. By comparison, per capita retail sales for Apple County have increased by 59% (Index=159) during this same time period.

Lastly, note that the Median Age (36.5 yrs. old) and Household Size (2.50). Both these data can be valuable in better understanding the buying habits and preferences of local area consumers, especially when compared to statewide norms found in the Washington Composite report (Section A).

Immediately below these market rankings you find two graphs. The first shows the percentage growth in Apple County per capita sales from 2002 through 2007. This

graph provides an excellent snapshot of per capita sales by major retail category. From this graph, we see that the furniture and building materials sectors experienced the highest growth, with the apparel sector showing the lowest growth.

The second graph presents per capita retail sales for each major retail sector. We see that the per capita retail sales for the general merchandise sector equals \$1,725 for Apple County, compared to a statewide norm for this same sector amounting to \$1,424. Overall, per capita sales in Apple County are slightly above the state norm.

The remaining section of this second page contains a year-by-year history of per capita retail sales for each retail sector, with the last column providing a calculation of the average annual growth rate for each category over the past 5 years of actual data (2002-2007).

Using these data one can quickly track the per capita retail sales, allowing Survey customers to quickly identify those sectors that are showing growth. For example, we see that per capita sales in the restaurant/bar sector have been growing at an annual rate of 4.3% over the past 5 years, and have increased from \$810 in 1998 to the current level of \$1,183.

III. County and City Report

Each county and city report contains a wide range of data, market rankings and indices, all of which can be used to gain a better understanding of the trends that exist in each market area. The following briefly outlines the various components included in the Retail Survey Reports.

Sales Rank - A ranking based on the total retail sales in the county or city, as of the most recent year in which actual data are available. Forecasted data are not used to determine rankings. For counties, the rankings range from 1 (highest) to 39 (lowest). For cities ranking ranges from 1(highest) to 290 (lowest).

Per Capita Sales Rank- A ranking based on total 2007 retail sales in the county or city, divided by the 2007 population in that county or city. For counties, the rankings range from 1(highest) to 39(lowest). For cities ranking ranges from 1(highest) to 290(lowest).

Percent Statewide Sales- Calculated by dividing total retail sales in the county or city by the total retail sales in Washington, as of the most recent year in which actual data are available. This measures the "market

share" of a county or city relative to total retail sales in the state.

Per Capita Income Rank- Measures the average per person income level in each county, and is used as an indicator of consumer purchasing power. It is especially useful when comparing income levels between two or more counties with significantly different levels of population. The rankings range from 1(highest) to 39(lowest).

Sales Growth-Last 5 Years- Calculation of the compound annual rate of retail sales growth for the period 2002 through 2007.

Relative Strength Ratio - A measurement of the five-year sales growth (2002-2007) trend in a city or county compared to the sales growth trend statewide. An index of 1.25 can be interpreted as meaning that during the past five years, retail sales in the county or city grew 25% faster than the statewide average. An index of 2.35 would be interpreted to mean that retail sales in that local market have grown 135% faster than the state norm. Conversely, a Ratio of .85 would mean

that the local market grew slower than the statewide average...in this example only 85% of the statewide average.

Growth Persistence - An evaluation of a county/city's ability to consistently out-perform statewide growth trends. This index ranges from 100% (highest) to 0% (lowest). Please see the Statistical Measures section

for detailed explanation.

Performance Rank - A ranking of the percentage growth in retail sales for the most recent year that actual data are available. The rankings range from 1(highest) to 5 (lowest). After all markets are ranked based on percentage growth, numerical rankings are assigned as follows:

PERFORMANCE RANKINGS

PERFORMANCE RANKS-COUNTIES		PERFORMANCE RANKS-CITIES	
TOP 8	RANK 1 (HIGHEST)	TOP 58	RANK 1 (HIGHEST)
NEXT 8 RANK	RANK 2 (ABOVE AVERAGE)	NEXT 58	RANK 2 (ABOVE AVERAGE)
NEXT 8 RANK	RANK 3 (AVERAGE)	NEXT 58	RANK 3 (AVERAGE)
NEXT 8 RANK	RANK 4 (BELOW AVERAGE)	NEXT 58	RANK 4 (BELOW AVERAGE)
LOWEST 7	RANK 5 (LOWEST)	LOWEST 58	RANK 5 (LOWEST)

Retail Sales (Actual) - Presented for a ten-year time frame, for each type of retail store. Note that the last column provides compound annual growth rates for the past 5 years in which actual data are available, for each retail store category. When there are no sales data for a particular category, it is due to no sales in that particular year, or that data are suppressed to avoid divulging data for a particular retailer. When 5 years of actual data are not available, compound annual growth rates may be calculated using a shorter time frame, and is noted in the Summary section found at the bottom of the report.

Retail Sales (Forecasts) - For each county, city, and retail sector report, retail sales forecasts are prepared for the most recent year under review. These sales forecasts are not used to calculating the growth rates appearing in the far right column of each sales report.

Population Growth - The actual percentage growth in population in a city or county for the most recent five-year period 2002-2007.

Population Density - For each county, shows the number of people living in the area, per square mile. The figure is calculated by dividing the county's current year population by total square miles in the county. When used in a city report, it refers to the Population Density in that particular city.

Market Share Graph - A graphic breakdown of retail sales by eight major retail categories. The percentage breakdowns are based on actual retail sales for the current year.

Sales Growth Graph - A history of the percentage change in a county or city's actual retail sales

compared to statewide growth rates.

Growth Rate - A calculation of the annual compound rate of growth of retail sales during the most recent five years in which actual data are available. When 5 years of actual data are not available, compound annual growth rates may be calculated using a shorter time frame, and are noted in the Summary section found at the bottom of the report. Growth rate calculations do not include sales projections.

Per Capita \$ Sales - A measurement of the per person retail sales for each county or city. It is calculated by dividing sales data by the 2007 population in the county or city. This measurement provides a means to compare sales volumes between two market area that have significantly different populations, since it puts each market area on a relatively equal basis, regardless of population size. Data are rounded to the nearest dollar.

Median Age - The median age of the county's or city's population.

Household Size - The average number of people in each household in the county or city.

Population Rank - A ranking based on the 2007 total population of each county or city. County rankings range from 1(highest) to 39 (lowest). City rankings range from 1(highest) to 290 (lowest).

Population Trend Data - A statistical summary of county and city population data for the past eleven years.

Per Capita Income Trend Data - A statistical summary

of county per capita income data for the past eleven years.

Per Capita Sales Growth - A calculation of the annual compound rate of growth of per capita retail sales during the most recent five years in which actual data are available. When 5 years of actual data are not available, compound annual growth rates may be calculated using a shorter time frame. Growth rate calculations do not include sales projections.

Per Capita Sales Graphs - By retail category, two graphs that show absolute \$ amounts as well as annual growth rates over the past five years.

Percent Statewide Population - Measures the percentage of statewide population that is located within the particular city or county.

County Identifiers - Immediately following the name of each city in the top line of each city report is the name of the county in which that city is located.

Sales Per Household Table - For each major retail sector, this table measures the dollar retail sales per household. The table compares these data for the local market with comparable data representing the statewide norm. They are calculated by dividing 2008 sector retail sales in a market by the current number of households within that market. By comparing the statewide data to the local market data, Survey users can identify important local market imbalances that point to either strengths or weaknesses in the local market. For example, if the table shows that a local market's apparel sales per household are significantly lower than the state norm, it may indicate that the existing local apparel stores are not adequately serving the local population, and thereby encouraging these consumers to shop outside this local market.

Conversely, if apparel store sales per household are much higher than the state norm, it may indicate that the local market is attracting large numbers of shoppers from outside the immediate local market.

IV. Retail Sector Reports

In many respects, the Retail Sector Reports have a format similar to that found in City and County Reports, although the purpose is really quite different. The main objective of the Sector Reports is to give Survey user an overview of a specific retail sector, and to show how that sector has performed over the past 11 years compared to other retail sectors.

The Survey contains Sector Reports on twelve major retail sectors, and these are especially helpful in tracking growth performance for similar types of stores in each major county of the state. For example, by scanning the Apparel sector report, you might find that this sector has been assigned an average Growth Persistence Index, represents 1.77% of total retail sales in Washington, and its Relative Strength Index over the past five years is 1.2, or 20% higher than the statewide average for all retail sales.

The sector report may also show that apparel stores in Walla Walla Co. have had the highest growth rates in recent years, while stores in Adams Co. have had the lowest growth.

By quickly scanning the growth column on the right side of each page, you will be able to easily see how each of these counties have performed in terms of sales growth. Please refer to one of the Sector Reports in Section E for an example of these specialized reports.

Components of each Retail Sector Report include:

Growth Persistence - An evaluation of a retail sector's ability to consistently out-perform statewide growth trends. Index ranges from 100% (highest) to 0% (lowest). See Statistical Measures section for detailed explanation.

Relative Strength Ratio - A measurement of the five-year sales growth trend of a retail sector compared to the statewide sales growth trend for all sectors. A ratio of 1.25 can be interpreted as meaning that during the past five years, retail sales for that specific sector grew 25% faster than the statewide average for all sectors.

Conversely, a ratio of .85 would mean that the sector grew slower than the statewide average...in this example only 85% of the statewide average.

Percent Total Retail Sales - Calculated by dividing total retail sales in that specific sector by the total retail sales in Washington, as of the current year. This measures the "market share" of a sector relative to total retail sales in the state.

Sales Graphs - Two graphs showing the long-term trend line for sector retail sales, and the annual growth rates for the sector.

Retail Sales (Actual) - Presented for ten-year time frame, for each county. Note that the last column provides compound annual growth rates for the past 5 years in which actual data are available.

Retail Sales (Forecasts) - For each sector, retail sales forecasts are prepared for the most recent year under review. These sales forecasts are not used to

calculating the growth rates appearing in the far right column of each sales report.

V. Statistical Methods

Using what is believed to be the most timely, accurate and unbiased data available on retail trends, the Washington Retail Survey analyzes these data and presents a number of rankings and indices that have proven to be important measurements of market performance. Due to their uniqueness and analytical importance, two of these deserve special attention. To insure that customers can fully understand the rationale and construction of these analytical techniques, each one is described below.

Growth Persistence Index - Growth can be measured in many ways, depending on the specific analytical objective. With this index, the objective is to identify those retail markets that have a consistent ability to grow faster than the state as a whole, based on year-by-year performance. Some markets show strong surges in retail sales growth in one or two years, followed by periods of below average growth.

Conversely, other markets experience moderate (but still above average) growth year after year. When analyzing any specific retail market, Survey users will undoubtedly want to examine not only its ability to grow, but also the consistency of that growth. If a market is prone to wide and unpredictable swings in growth, a Survey user will want to be alerted to this fact. Using the past nine years growth rates for county/city markets and the statewide market, a calculation is made to determine the number of subsequent years in which a county, city, or retail

sector market out-performed the statewide growth rate. The result of these calculations is the basis for the Growth Persistence Index.

Therefore, a local market that has experienced sales growth above the statewide average for every one of the last ten years would be given a perfect score of 36. Conversely, the example of Apple County used here shows a score of 19 out of a possible perfect score of 36. The Growth Persistence Index, in this example, is then calculated by dividing the actual score (19) by the highest possible score (36). The resulting Index becomes 52.8%.

Among Washington's 290 communities and 39 counties, it is rare for a specific local market to out-perform the statewide average growth rate for nine years in a row, earning a Growth Persistence Index of 100%. From a practical standpoint, a local market that earns a Growth Persistence Index of 70% and above is performing extremely well, and is characterized as a "strong" market. Markets with Growth Persistence Index's between 60% and 69% are considered "above average", while markets with indexes ranging from 40% to 59% are characterized as "average".

Markets with an index between 20% and 39% are "below average", while markets with indexes below 20% are termed "weak" for this measurement. Using our fictitious Apple County as an example, we can demonstrate the calculation of the index:

CALCULATION OF GROWTH PERSISTENCE INDEX

YEAR	STATEWIDE GROWTH RATES	APPLE COUNTY GROWTH RATES	NUMBER OF SUCCEEDING YEARS COUNTY GROWTH GREATER THAN STATE
1999	2.8%	6.6%	3
2000	5.1%	1.6%	3
2001	8.4%	2.0%	3
2002	6.5%	4.7%	3
2003	7.1%	9.9%	2
2004	6.5%	2.7%	2
2005	0.4%	-4.4%	2
2006	3.4%	4.0%	1
2007	5.0%	5.3%	0
			Total = 19

Retail Sales Forecasts - Using the statistical forecasting technique referred to as exponential smoothing, historical trends over the most recent ten-year period are evaluated using six computer-forecasting models, and the resulting trend characteristics are then extrapolated into the future. In using the forecasts contained in the Survey, customers should keep in mind that forecasts are never perfect. In the Survey, the forecasts rely upon historical trend

characteristics. The Survey makes no attempt to predict future events that may have a significant impact on retail sales volume.

Each county and city report contains detailed one-year forecasts of retail sales for each retail category. The forecast data are rounded, which may cause column data not to equal totals. These same forecasts are also incorporated into each of the Retail Sector Reports.

Glossary of Terms

Apparel Stores: This broad group includes outlets primarily engaged in the retail sale of new clothing and accessories.

Appliances, TV, Other Electronics: Retail Outlets that offer household appliances, consumer electronics, computers and software, radios and other audio equipment are included in this category.

Auto Dealers – New & Used: Retailers that are predominantly involved in the sale of new and used automobiles is included here. Often, these retailers also sell automobile parts.

Auto Group: This broad group is a combination of New and Used Auto Dealers; Auto Supplies and Parts and Recreational Vehicles, Boats, & Motorcycles.

Auto Parts & Tires: These retailers are primarily involved in the sale of a variety of auto parts and tires. Auto repair services are also sometimes provided.

Building Materials: Outlets primarily retailing lumber, building materials, door and window products, and masonry materials to both consumers and construction contractors are included in this category.

Building Material Group: This broad group is a combination of the following categories of retailers: Lumber and Building Materials, Hardware Stores, Garden Supply stores, Home Centers, Paint, Glass and Wallpaper outlets, as well as other retailers specializing in such items as plumbing and electrical supplies.

Camera & Photo Supply: Engaged in retailing new cameras, photographic equipment, and photographic supplies or retailing new cameras and photographic equipment in combination with activities, such as repair services and film developing.

Clothing & Shoes: Retailers primarily engaged in the

sale of women's, men's, children's, and or family apparel and/or shoes.

City: An area that has officially been incorporated under the laws of Washington as a city. From time to time, city boundaries do change, causing some change in the amount of retail activity, and population credited to a particular city.

County: Washington has 39 counties, which are the primary political and administrative subdivisions of the state.

Current Year: Refers to that year in which actual (as opposed to forecasted) sales and outlet data are available for a particular city or county market.

Computers & Software: Retailers engaged in the sale of new computers, computer peripherals, and prepackaged computer software without retailing other consumer-type electronic products or office equipment, office furniture and office supplies; or retailing these new products in combination with repair and support services.

Department Stores: establishments known as department stores that have separate departments for various merchandise lines, such as apparel, jewelry, home furnishings, and linens, each with separate cash registers and sales associates. Department stores in this industry generally do not have central customer checkout and cash register facilities.

Drug & Health Care Store Group: These outlets are engaged in the retail sales of prescription drugs, proprietary drugs, and non-prescription medicines. These outlets usually also offer a range of related products, such as personal care items, stationery, and novelties. Due to data collection and reporting limitations, sales for this category do not include the retail sale of prescription drugs.

Electronics Group: Engaged in retailing one or more of the following: (1) retailing an array of new household-type appliances and consumer-type electronic products, such as radios, televisions, and computers; (2) specializing in retailing a single line of new consumer-type electronic products (except computers); (3) retailing these new products in combination with repair services, and (4) prerecorded audio and videotapes, compact discs (CDs), digital video discs (DVDs).

E-Commerce: Engaged in retailing all types of merchandise using non-store means, such as catalogs, toll free telephone numbers, or electronic media, such as interactive television or computer. Included in this industry are establishments primarily engaged in retailing from catalog showrooms of mail-order houses.

Food & Beverage Group: retailers primarily engaged in retailing food and beverages merchandise from fixed point-of-sale locations.

General Merchandise Group: Includes department stores, discount department stores, and warehouse clubs.

Grocery & Convenience Stores: Includes food stores offering a wide range of grocery products for retail sale, as well as smaller stores offering a limited line of food products. Due to data collection limitations, sales of food for home consumption are not included. As such, total retail sales for this category are understated.

Growth Rate: In city, county, and retail sector reports, growth rate figures in the far right column refer to the compound annual rate of change over the last five years in which actual data are available. The growth rate calculation does not include forecasted data.

Home Furnishings Group: Included within this category are retailers engaged in retailing new furniture, such as household furniture (e.g., baby furniture box springs and mattresses) and outdoor furniture; home furnishings, or floor coverings.

Jewelry & Luggage Stores: Outlets specializing in the retailing of one or more of the following items: (1) new jewelry (except costume jewelry); (2) new sterling and

plated silverware; and (3) new watches and clocks. are included within this category. Also included are stores that retail new luggage, briefcases, trunks, or these new products in combination with a general line of leather items (except leather apparel), such as belts, gloves, and handbags.

Misc. Retailers: This broad category includes stores with unique characteristics like florists, used merchandise stores, and pet and pet supply stores as well as other store retailers.

N.A.: Data not available because the city had not yet been incorporated, or because publication of data may result in the release of confidential information on a specific retail firm, or for other reasons that make data unavailable.

Other Food & Beverage Stores: This category includes retailers offering a limited line of specialty food items, such as fruit & vegetable stores, meat markets, and fish & seafood markets.

Restaurants/Bars: Eating and drinking places offering either/or alcoholic beverages (beer, wine, spirits) and meals for on-premises consumption.

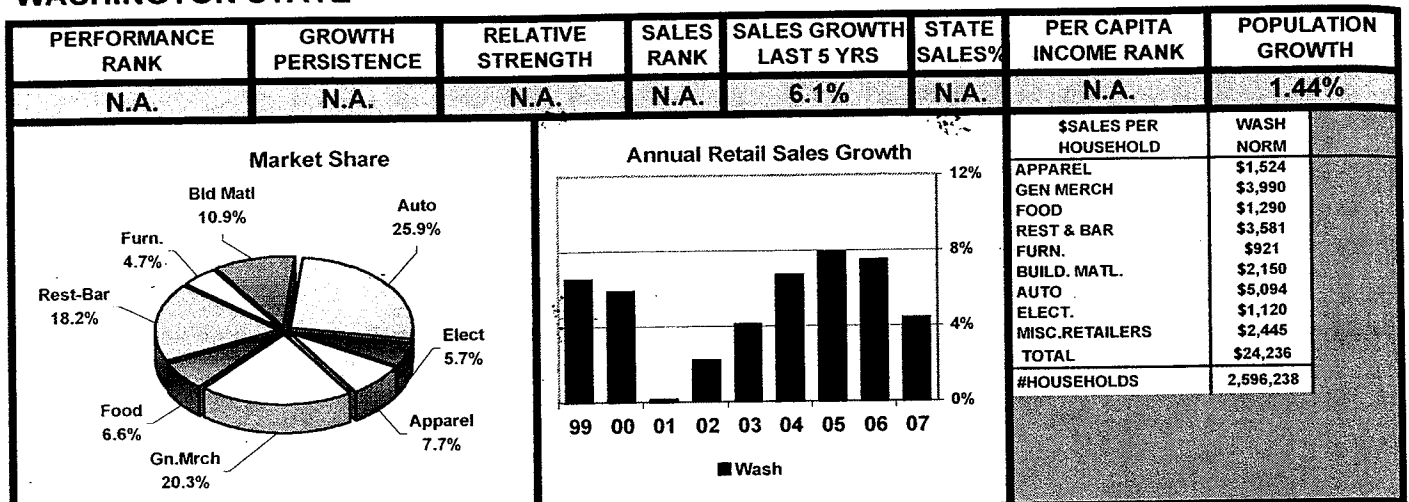
Retail Sales: Sales include all retail transactions subject to Washington's sales tax. Major transactions that are not included in the Survey data are certain food for home consumption, prescription medicines, and auto fuel.

Service Stations: Retailers primarily engaged in the sale of gasoline and/or diesel fuel are included in this category. These retailers also frequently sell related auto parts and offer repair service. They may also offer a limited line of packaged and prepared convenience food.

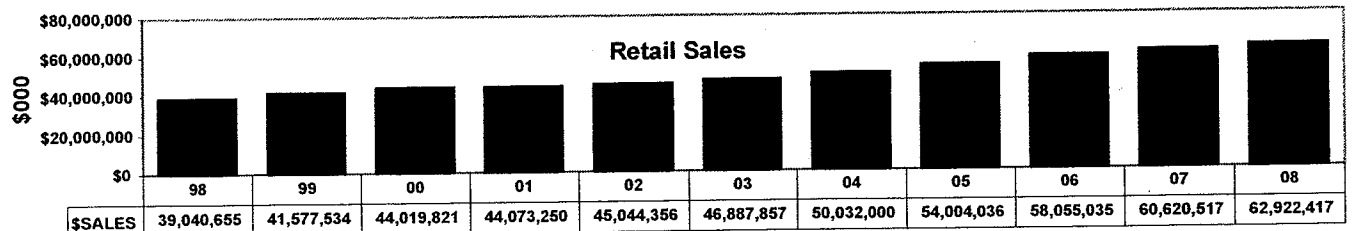
Specialty Group: This broad category includes such retailers as Sporting Goods, toy stores, or other specific leisure activities, such as needlework and musical instruments. Book stores are also included in this group.

WASHINGTON STATE

SALES REPORT & RANKINGS



RETAIL SALES (\$000)	98	99	00	01	02	03	04	05	06	07	08	GROWTH
RETAIL SALES TOTAL	39,040,655	41,577,534	44,019,821	44,073,250	45,044,356	46,887,857	50,032,000	54,004,036	58,055,035	60,620,517	62,922,417	6.1%
AUTO GROUP	8,636,100	9,280,549	10,253,407	10,226,497	10,594,544	11,073,162	11,482,445	12,049,174	12,460,774	12,740,864	13,224,664	3.8%
NEW & USED AUTO DLR	6,759,110	7,294,177	8,181,346	8,230,715	8,523,304	8,874,108	9,065,468	9,457,181	9,737,719	9,966,001	10,344,433	3.2%
RV, BOAT, M'CYCLE	755,411	855,353	909,357	842,019	906,778	1,006,008	1,170,018	1,263,765	1,334,611	1,343,926	1,394,958	8.2%
AUTO PARTS & TIRES	1,121,579	1,131,020	1,162,704	1,153,763	1,164,462	1,193,046	1,246,959	1,328,228	1,388,445	1,430,937	1,485,273	4.2%
HOME FURN GROUP	1,426,130	1,615,809	1,614,744	1,532,892	1,522,791	1,626,640	1,807,128	2,091,863	2,249,394	2,303,614	2,391,087	8.6%
ELECTRONICS GROUP	2,101,744	2,060,438	2,099,917	1,897,383	1,969,895	1,949,413	2,299,982	2,598,411	2,803,060	2,800,527	2,906,870	7.3%
APPL., TV, OTHER ELECT	849,928	784,669	940,361	935,831	1,132,350	1,136,268	1,250,246	1,410,995	1,549,693	1,605,304	1,666,261	7.2%
COMPUTER & S'TWARE	1,170,519	1,190,583	1,070,918	879,674	756,071	732,203	968,063	1,106,293	1,173,574	1,115,136	1,157,480	8.1%
CAMERA & PHOTO SPLY	81,296	85,185	88,639	81,878	81,474	80,942	81,672	81,124	79,793	80,087	83,128	-0.3%
BUILD MATL GROUP	3,021,477	3,227,228	3,253,700	3,270,549	3,501,239	3,883,079	4,437,035	4,936,023	5,378,931	5,377,093	5,581,274	9.0%
BUILD MATERIALS	2,694,350	2,902,942	2,927,481	2,954,634	3,202,806	3,554,554	4,063,950	4,542,696	4,949,919	4,887,088	5,072,662	8.8%
LAWN & GARDEN SPLY	327,128	324,286	326,219	315,915	298,433	328,525	373,085	393,327	429,012	490,005	508,612	10.4%
FOOD & BEV GROUP	2,803,520	2,953,257	3,051,892	3,088,875	3,066,008	3,078,268	3,013,193	2,920,446	3,078,631	3,226,927	3,349,460	1.0%
GROC & CONV. STORES	2,720,634	2,862,201	2,962,055	3,002,052	2,973,116	2,979,280	2,901,268	2,789,012	2,931,157	3,055,431	3,171,453	0.5%
OTHER FOOD & BEV	82,886	91,056	89,837	86,823	92,892	98,988	111,925	131,434	147,474	171,496	178,008	13.0%
DRUG/HEALTH STORES	1,041,624	1,011,325	1,026,282	1,010,556	1,012,039	1,045,347	1,084,090	1,196,897	1,286,365	1,371,598	1,423,681	6.3%
SERV STATIONS GROUP	892,912	975,554	1,057,701	1,059,806	1,065,733	1,090,961	1,168,445	1,269,033	1,366,823	1,383,353	1,435,882	5.4%
APPAREL GROUP	2,282,203	2,428,506	2,585,973	2,588,018	2,614,574	2,756,959	3,000,475	3,136,151	3,441,629	3,812,813	3,957,594	7.8%
CLOTHING & SHOES	1,968,444	2,084,318	2,224,058	2,248,361	2,276,586	2,353,871	2,578,946	2,675,373	2,939,899	3,286,325	3,411,114	7.6%
JEWELRY & LUGGAGE	313,759	344,188	361,915	339,657	337,988	403,088	421,529	460,778	501,730	526,488	546,480	9.3%
SPECIALTY GROUP	1,689,349	1,777,840	1,818,380	1,771,762	1,745,363	1,770,308	1,792,618	1,814,933	1,870,815	1,981,591	2,056,836	2.6%
SPORT GDS, TOYS	1,119,872	1,139,379	1,158,547	1,125,599	1,126,921	1,162,392	1,186,376	1,245,770	1,316,392	1,420,494	1,474,433	4.7%
BOOKS/MUSIC	569,477	638,461	659,833	646,163	618,442	607,917	606,242	569,164	554,423	561,097	582,403	-1.9%
GEN MERCH GROUP	6,281,567	6,720,549	7,131,524	7,354,472	7,567,181	7,773,336	8,289,198	8,907,049	9,538,359	9,979,818	10,358,775	6.7%
DEPT STORES	3,256,467	3,327,149	3,370,612	3,271,325	3,107,957	3,039,637	2,955,477	3,027,993	3,122,069	3,123,898	3,242,519	0.1%
GEN MERCH STORES	3,025,101	3,393,401	3,760,912	4,083,147	4,449,223	4,733,699	5,333,721	5,879,056	6,416,290	6,855,920	7,116,255	9.0%
E-COMMERCE	209,911	230,392	259,525	261,314	287,180	327,687	360,178	446,386	464,645	569,390	591,011	14.7%
MISC RETAILERS	3,286,241	3,551,667	3,737,996	3,701,260	3,675,614	3,782,769	3,988,956	4,821,141	5,746,709	6,115,643	6,347,869	10.7%
RESTAURANTS & BARS	5,367,878	5,744,420	6,128,780	6,309,867	6,432,196	6,729,926	7,308,258	7,816,528	8,368,899	8,957,285	9,297,414	6.8%



Summary: During the past five years, total state retail sales have grown at an annual rate of 6.1%. The Auto Sector has the highest market share, amounting to 25.9%, followed by the General Merchandise Sector at 20.3%. Statewide retail sales per household equal \$24,236, led by the auto sector with sales of \$5,094.

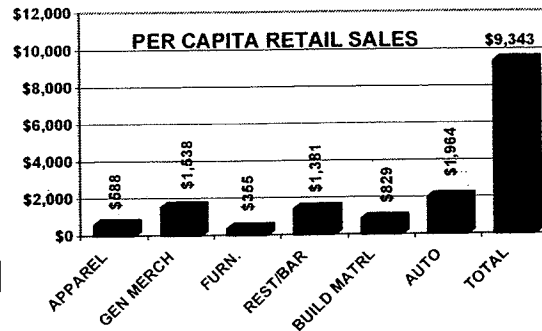
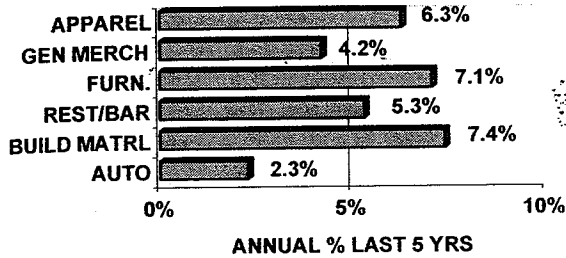
Per Capita Sales are \$9,343, and have been growing at an annual rate of 4.6%. Statewide annual population growth over the past five years has been 1.4%. Note: Growth Rates in far right column are annual for period 2002-2007. Sales data for 2008 are forecasts and subject to future adjustment.

WASHINGTON STATE

SALES REPORT & RANKINGS

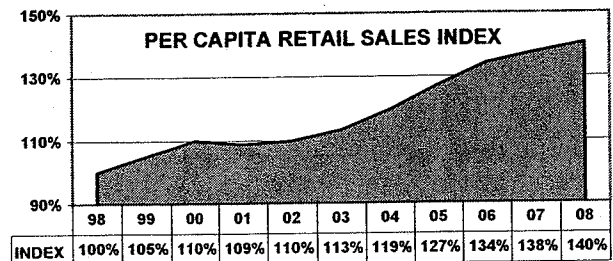
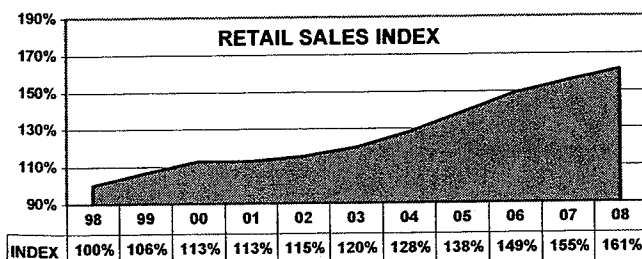
PER CAPITA \$ SALES	PER CAPITA SALES GROWTH	PER CAPITA SALES RANK	POP. RANK	PERCENT STATEWIDE POP	MEDIAN AGE	HOUSEHOLD SIZE	POPULATION DENSITY
\$9,343	4.6%	N.A.	N.A.	N.A.	36.7	2.50	97

PER CAPITA RETAIL SALES GROWTH



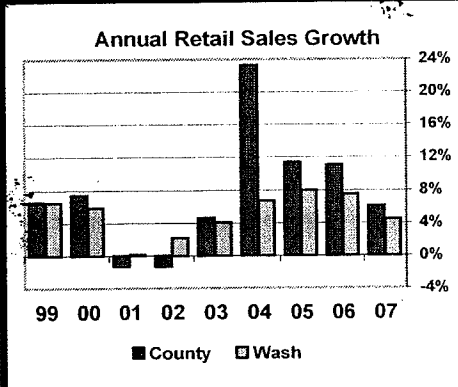
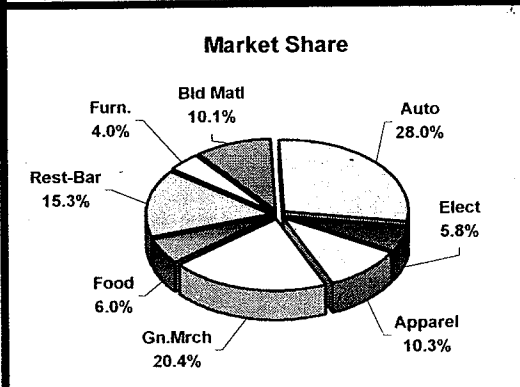
PER CAPITA RETAIL SALES	98	99	00	01	02	03	04	05	06	07	08	GROWTH
RETAIL SALES TOTAL	6,790	7,131	7,468	7,376	7,456	7,689	8,112	8,632	9,106	9,343	9,534	4.6%
AUTO GROUP	1,502	1,592	1,740	1,712	1,754	1,816	1,862	1,926	1,954	1,964	2,004	2.3%
NEW & USED AUTO DLR	1,175	1,251	1,388	1,378	1,411	1,455	1,470	1,512	1,527	1,536	1,567	1.7%
RV, BOAT, M/CYCLE	131	147	154	141	150	165	190	202	209	207	211	6.7%
AUTO PARTS & TIRES	195	194	197	193	193	196	202	212	218	221	225	2.7%
HOME FURN GROUP	248	277	274	257	252	267	293	334	353	355	362	7.1%
ELECTRONICS GROUP	366	353	356	318	326	320	373	415	440	432	440	5.8%
APPL., TV, OTHER ELECT	148	135	160	157	187	186	203	226	243	247	252	5.7%
COMPUTER & S/TWARE	204	204	182	147	125	120	157	177	184	172	175	6.6%
CAMERA & PHOTO SPLY	14	15	15	14	13	13	13	13	13	12	13	-1.8%
BUILD MATL GROUP	525	553	552	547	580	637	719	789	844	829	846	7.4%
BUILD MATERIALS	469	498	497	495	530	583	659	726	776	753	769	7.3%
LAWN & GARDEN SPLY	57	56	55	53	49	54	60	63	67	76	77	8.9%
FOOD & BEV GROUP	488	506	518	517	507	505	489	467	483	497	508	-0.4%
GROC & CONV. STORES	473	491	503	502	492	489	470	446	460	471	481	-0.9%
OTHER FOOD & BEV	14	16	15	15	15	16	18	21	23	26	27	11.4%
DRUG/HEALTH STORES	181	173	174	169	168	171	176	191	202	211	216	4.8%
SERV STATIONS GROUP	155	167	179	177	176	179	189	203	214	213	218	3.9%
APPAREL GROUP	397	416	439	433	433	452	486	501	540	588	600	6.3%
CLOTHING & SHOES	342	357	377	376	377	386	418	428	461	507	517	6.1%
JEWELRY & LUGGAGE	55	59	61	57	56	66	68	74	79	81	83	7.7%
SPECIALTY GROUP	294	305	309	297	289	290	291	290	293	305	312	1.1%
SPORT GDS, TOYS	195	195	197	188	187	191	192	199	206	219	223	3.3%
BOOKS/MUSIC	99	109	112	108	102	100	98	91	87	86	88	-3.3%
GEN MERCH GROUP	1,092	1,163	1,210	1,231	1,251	1,275	1,344	1,424	1,496	1,538	1,570	4.2%
DEPT STORES	566	571	572	548	514	498	479	484	490	481	491	-1.3%
GEN MERCH STORES	526	582	638	683	736	776	865	940	1,006	1,057	1,078	7.5%
E-COMMERCE	37	40	44	44	48	54	58	71	73	88	90	13.0%
MISC RETAILERS	572	609	634	619	608	620	647	771	901	943	962	9.2%
RESTAURANTS & BARS	934	985	1,040	1,056	1,065	1,104	1,185	1,249	1,313	1,381	1,409	5.3%

COUNTY TREND (YR)	98	99	00	01	02	03	04	05	06	07	08	GROWTH
POPULATION	5,750,000	5,830,800	5,894,100	5,974,900	6,041,700	6,098,300	6,167,800	6,256,400	6,375,600	6,488,000	6,599,600	
PER CAPITA INCOME(\$)	28,384	30,037	31,777	32,301	32,573	33,166	35,289	35,838	38,212	38,989	39,289	3.7%



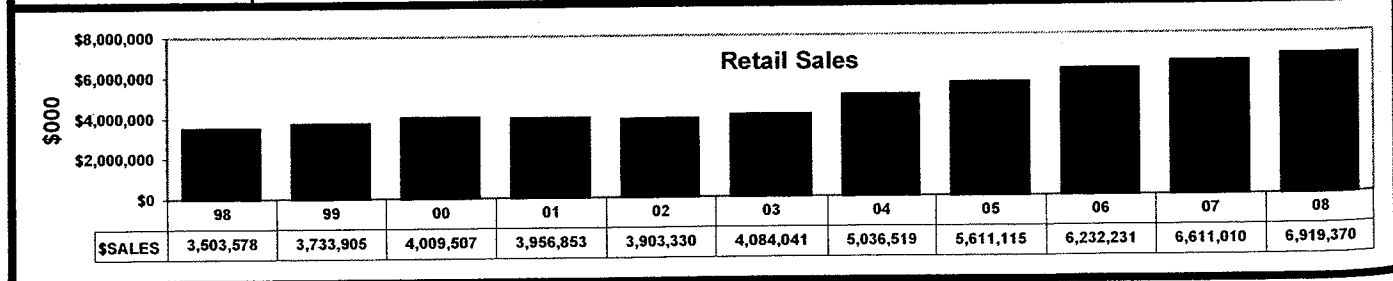


PERFORMANCE RANK	GROWTH PERSISTENCE	RELATIVE STRENGTH	SALES RANK	SALES GROWTH LAST 5 YRS	STATE SALES%	PER CAPITA INCOME RANK	POPULATION GROWTH
2	86.1%	1.82	3	11.1%	10.9%	5	1.79%



\$SALES PER HOUSEHOLD	LOCAL MKT	WASH NORM
APPAREL	\$2,266	\$1,524
GEN MERCH	\$4,506	\$3,990
FOOD	\$1,324	\$1,290
REST & BAR	\$3,378	\$3,581
FURN.	\$880	\$921
BUILD. MATL.	\$2,235	\$2,150
AUTO	\$6,171	\$5,094
ELECT.	\$1,274	\$1,120
MISC. RETAILERS	\$2,191	\$2,445
TOTAL	\$26,234	\$24,236
#HOUSEHOLDS	263,759	

RETAIL SALES (\$000)	98	99	00	01	02	03	04	05	06	07	08	GROWTH
RETAIL SALES TOTAL	3,503,578	3,733,905	4,009,507	3,956,853	3,903,330	4,084,041	5,036,519	5,611,115	6,232,231	6,611,010	6,919,370	11.1%
AUTO GROUP	811,294	889,271	1,034,358	1,035,636	1,024,865	1,118,666	1,321,554	1,431,451	1,517,822	1,555,036	1,627,569	8.7%
NEW & USED AUTO DLR	624,848	690,623	818,153	825,489	813,974	900,173	1,035,775	1,119,423	1,177,744	1,209,173	1,265,573	8.2%
RV, BOAT, M/CYCLE	67,433	75,489	88,623	87,561	84,516	87,745	139,439	153,519	166,200	167,409	175,218	14.6%
AUTO PARTS & TIRES	119,012	123,160	127,582	122,586	126,376	130,748	146,340	158,509	173,878	178,454	186,778	7.1%
HOME FURN GROUP	130,837	148,545	158,030	149,008	142,669	140,652	160,576	198,667	218,146	221,823	232,170	9.2%
ELECTRONICS GROUP	213,109	223,453	236,640	231,042	231,296	209,917	245,347	277,322	306,031	320,974	335,945	6.8%
APPL., TV, OTHER ELECT	114,797	109,539	130,367	134,184	149,261	135,083	145,309	169,906	198,787	216,090	226,169	7.7%
COMPUTER & S/TWARE	90,065	105,700	98,383	88,493	74,702	68,490	93,763	101,503	101,366	99,272	103,903	5.9%
CAMERA & PHOTO SPLY	8,247	8,213	7,890	8,366	7,332	6,344	6,275	5,913	5,878	5,611	5,873	-5.2%
BUILD MATL GROUP	265,918	268,373	275,282	256,561	252,135	296,984	466,054	512,785	558,854	563,293	589,567	17.4%
BUILD MATERIALS	232,582	233,046	239,295	220,523	218,669	260,878	420,307	467,955	509,323	501,361	524,746	18.1%
LAWN & GARDEN SPLY	33,335	35,328	35,987	36,038	33,465	36,106	45,747	44,830	49,531	61,932	64,820	13.1%
FOOD & BEV GROUP	242,891	268,507	280,846	266,764	265,148	265,924	314,096	296,593	311,884	333,691	349,256	4.7%
GROC & CONV. STORES	236,268	262,488	275,353	259,009	257,238	259,054	307,480	287,623	301,773	322,290	337,322	4.6%
OTHER FOOD & BEV	6,623	6,018	5,493	7,755	7,910	6,870	6,616	8,970	10,111	11,401	11,933	7.6%
DRUG/HEALTH STORES	97,167	92,164	96,942	91,623	85,677	96,128	111,233	126,685	142,100	151,914	159,000	12.1%
SERV STATIONS GROUP	62,230	65,580	69,272	70,296	71,572	73,161	96,078	98,335	105,276	111,454	116,653	9.3%
APPAREL GROUP	205,047	218,926	240,229	248,352	254,103	265,428	297,021	404,602	490,424	570,994	597,628	17.6%
CLOTHING & SHOES	171,568	185,458	205,691	213,409	220,385	224,612	254,428	345,947	419,062	489,500	512,332	17.3%
JEWELRY & LUGGAGE	33,479	33,468	34,539	34,943	33,718	40,816	42,593	58,655	71,362	81,495	85,296	19.3%
SPECIALTY GROUP	149,352	156,302	157,580	149,644	147,510	155,327	164,191	171,457	182,358	194,583	203,660	5.7%
SPORT GDS, TOYS	112,091	111,065	111,454	104,930	107,406	115,755	121,981	134,741	145,337	157,297	164,634	7.9%
BOOKS/MUSIC	37,261	45,238	46,126	44,714	40,104	39,573	42,210	36,716	37,021	37,287	39,026	-1.4%
GEN MERCH GROUP	634,531	661,426	672,314	636,098	608,983	597,022	837,505	922,751	1,059,511	1,135,398	1,188,357	13.3%
DEPT STORES	376,796	376,877	369,215	342,966	318,142	306,531	337,870	342,802	364,381	369,315	386,541	3.0%
GEN MERCH STORES	257,735	284,549	303,099	293,131	290,841	290,491	499,635	579,948	695,130	766,083	801,815	21.4%
E-COMMERCE	6,892	6,431	7,009	10,857	14,133	16,188	25,968	35,451	41,826	48,404	50,662	27.9%
MISC RETAILERS	267,575	297,058	313,767	321,244	305,901	320,503	341,695	409,843	512,066	552,201	577,958	12.5%
RESTAURANTS & BARS	416,737	437,869	467,238	489,729	499,340	528,141	655,202	725,172	785,932	851,242	890,947	11.3%



Summary: The Performance Rank of 2, measuring sales growth in the most recent year, is above avg. Over the past 10 yrs, the Growth Persistence Index (86.1%) has been high, while the 5 yr Relative Strength Ratio of 1.82 is above the state norm of 1.0. In total sales, the county's rank is 3, while the Per Capita Sales Rank is 4. Population Growth has averaged 1.79% over the past 5 yrs, compared to a statewide norm of 1.44%

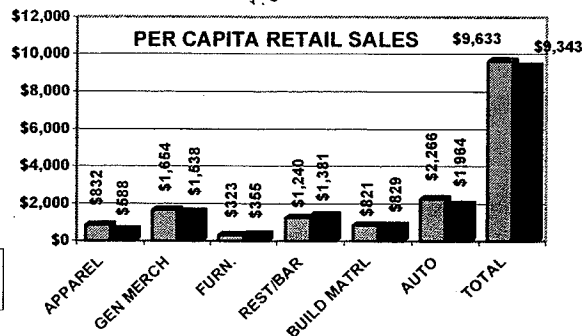
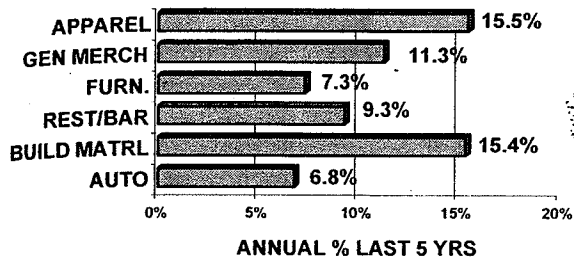
Per Capita Sales are \$9,633, and have been growing at an annual rate of 9.2%. By comparison, total retail sales have been growing at an annual rate of 11.1%. Note: Growth Rates in far right column are annual for period 2002-2007. Sales data for 2008 are forecasts and subject to future adjustment.

SNOHOMISH COUNTY

SALES REPORT & RANKINGS

PER CAPITA \$ SALES	PER CAPITA SALES GROWTH	PER CAPITA SALES RANK	POP. RANK	PERCENT STATEWIDE POP	MEDIAN AGE	HOUSEHOLD SIZE	POPULATION DENSITY
\$9,633	9.2%	4	3	10.578%	35.8	2.60	329

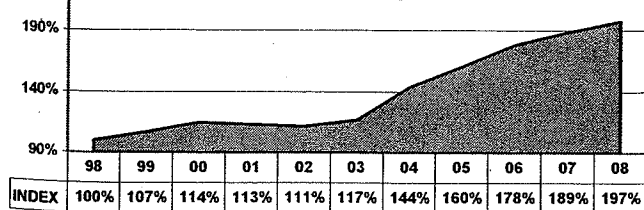
PER CAPITA RETAIL SALES GROWTH



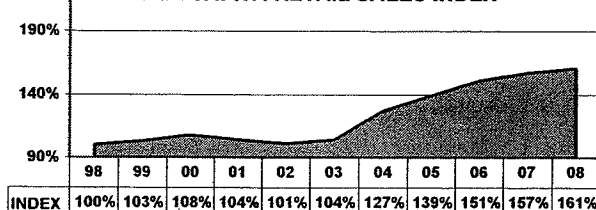
PER CAPITA RETAIL SALES	98	99	00	01	02	03	04	05	06	07	08	GROWTH
RETAIL SALES TOTAL	6,137	6,337	6,616	6,396	6,215	6,406	7,811	8,566	9,277	9,633	9,888	9.2%
AUTO GROUP	1,421	1,509	1,707	1,674	1,632	1,755	2,050	2,183	2,259	2,266	2,321	6.8%
NEW & USED AUTO DLR	1,095	1,172	1,350	1,334	1,296	1,412	1,606	1,707	1,753	1,762	1,805	6.3%
RV, BOAT, M/CYCLE	118	128	146	142	135	138	216	234	247	244	250	12.6%
AUTO PARTS & TIRES	208	209	211	198	201	205	227	242	259	260	266	5.3%
HOME FURN GROUP	229	252	261	241	227	221	249	303	325	323	331	7.3%
ELECTRONICS GROUP	373	379	390	373	368	329	381	423	456	468	479	4.9%
APPL., TV, OTHER ELECT	201	186	215	217	238	212	225	259	296	315	323	5.8%
COMPUTER & S'TWARE	158	179	162	143	119	107	145	155	151	145	148	4.0%
CAMERA & PHOTO SPLY	14	14	13	14	12	10	10	9	9	8	8	-6.9%
BUILD MATL GROUP	466	455	454	415	401	466	723	782	832	821	841	15.4%
BUILD MATERIALS	407	395	395	356	348	409	652	714	758	731	748	16.0%
LAWN & GARDEN SPLY	58	60	59	58	53	57	71	68	74	90	92	11.1%
FOOD & BEV GROUP	425	456	463	431	422	417	487	452	464	486	498	2.9%
GROC & CONV. STORES	414	445	454	419	410	406	477	439	449	470	481	2.8%
OTHER FOOD & BEV	12	10	9	13	13	11	10	14	15	17	17	5.7%
DRUG/HEALTH STORES	170	156	160	148	136	151	173	193	212	221	227	10.2%
SERV STATIONS GROUP	109	111	114	114	114	115	149	150	157	162	166	7.3%
APPAREL GROUP	359	372	396	401	405	416	461	617	730	832	852	15.5%
CLOTHING & SHOES	301	315	339	345	351	352	395	528	624	713	731	15.2%
JEWELRY & LUGGAGE	59	57	57	56	54	64	66	89	106	119	122	17.2%
SPECIALTY GROUP	262	265	260	242	235	244	255	261	271	284	290	3.8%
SPORT GDS, TOYS	196	188	184	170	171	182	189	205	216	229	235	6.0%
BOOKS/MUSIC	65	77	76	72	64	62	65	56	55	54	56	-3.2%
GEN MERCH GROUP	1,111	1,122	1,109	1,028	970	937	1,299	1,407	1,577	1,654	1,695	11.3%
DEPT STORES	660	640	609	554	507	481	524	523	542	538	551	1.2%
GEN MERCH STORES	451	483	500	474	463	456	775	884	1,035	1,116	1,143	19.2%
E-COMMERCE	12	11	12	18	23	25	40	54	62	71	72	25.7%
MISC RETAILERS	469	504	518	519	487	503	530	625	762	805	824	10.6%
RESTAURANTS & BARS	730	743	771	792	795	828	1,016	1,106	1,170	1,240	1,271	9.3%

COUNTY TREND (YR)	98	99	00	01	02	03	04	05	06	07	08	GROWTH
POPULATION	570,896	589,266	606,024	618,600	628,000	637,500	644,800	655,800	671,800	686,300	701,200	
PER CAPITA INCOME(\$)	27,692	28,580	30,394	31,243	31,571	31,856	33,285	34,963	37,115	37,870	38,161	3.7%

RETAIL SALES INDEX



PER CAPITA RETAIL SALES INDEX

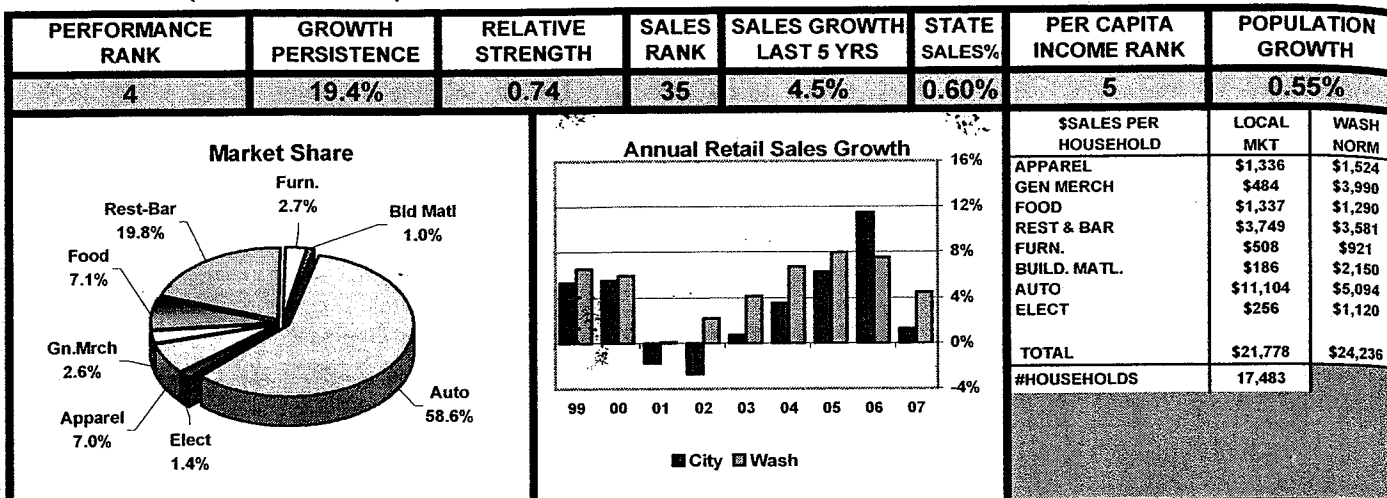


EDMONDS (SNOHOMISH)

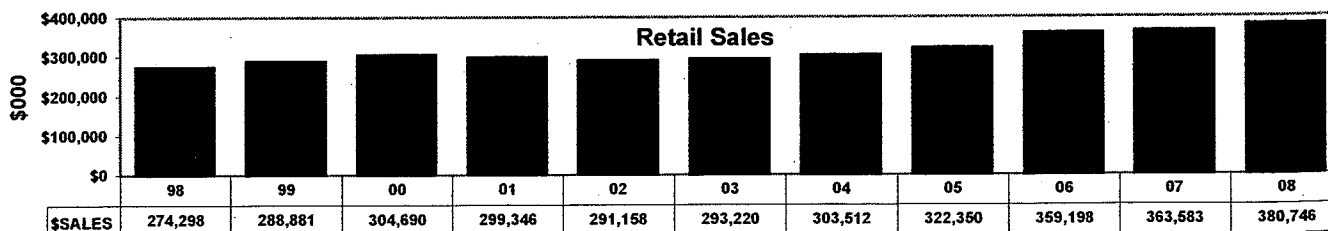
RATING
(BELOW AVG)



SALES REPORT & RANKINGS



RETAIL SALES (\$000)	98	99	00	01	02	03	04	05	06	07	08	GROWTH
RETAIL SALES TOTAL	274,298	288,881	304,690	299,346	291,158	293,220	303,512	322,350	359,198	363,583	380,746	4.5%
AUTO GROUP	126,013	135,624	153,996	155,346	155,440	159,503	161,818	169,876	186,703	185,382	194,133	3.6%
NEW & USED AUTO DLR	120,947	129,248	147,173	149,272	149,945	153,651	155,835	163,123	181,176	178,979	187,428	3.6%
RV, BOAT, M/CYCLE	3,317	4,254	4,058	3,355	2,828	3,066	3,655	4,469	3,064	4,172	4,369	8.1%
AUTO PARTS & TIRES	1,748	2,122	2,766	2,719	2,667	2,786	2,328	2,284	2,463	2,231	2,336	-3.5%
HOME FURN GROUP	4,815	5,113	4,211	4,793	3,628	3,889	4,074	6,834	8,573	8,484	8,884	18.5%
ELECTRONICS GROUP	4,573	8,155	7,243	7,831	5,936	4,450	5,019	4,943	4,860	4,280	4,482	-6.3%
APPL., TV, OTHER ELECT	756	4,209	4,302	4,697	4,191	2,912	3,061	2,749	2,501	2,503	2,621	-9.8%
COMPUTER & S'TWARE	3,817	3,946	2,941	3,134	1,745	1,538	1,958	2,195	2,360	1,777	1,861	0.4%
CAMERA & PHOTO SPLY	0	0	0	0	0	0	0	0	0	0	0	N.A.
BUILD MATL GROUP	2,672	2,920	2,547	1,877	1,648	1,871	1,999	2,172	2,924	3,106	3,253	13.5%
BUILD MATERIALS	2,570	2,783	2,359	1,630	1,429	1,472	1,751	1,989	2,629	2,708	2,836	13.6%
LAWN & GARDEN SPLY	101	138	188	247	219	399	248	184	295	398	417	12.7%
FOOD & BEV GROUP	26,410	27,070	27,622	27,900	28,924	26,651	26,157	22,901	21,698	22,320	23,374	-3.7%
GROC & CONV. STORES	25,645	26,202	26,680	26,980	25,819	25,558	24,815	21,427	19,824	20,590	21,562	-4.4%
OTHER FOOD & BEV	766	868	942	921	1,105	1,093	1,341	1,474	1,875	1,730	1,812	9.4%
DRUG/HEALTH STORES	8,396	6,698	5,595	3,244	2,186	4,703	6,229	6,830	6,654	6,860	7,184	25.7%
SERV STATIONS GROUP	3,125	2,839	2,827	2,621	3,154	3,271	2,994	2,808	3,203	3,983	4,171	4.8%
APPAREL GROUP	13,104	12,944	13,669	12,886	16,664	17,032	18,721	19,675	22,120	22,306	23,359	6.0%
CLOTHING & SHOES	12,042	11,855	12,510	11,759	15,672	15,651	17,437	18,436	19,850	21,046	22,039	6.1%
JEWELRY & LUGGAGE	1,062	1,089	1,160	1,126	993	1,381	1,283	1,239	2,270	1,261	1,320	4.9%
SPECIALTY GROUP	3,618	5,315	4,700	4,073	3,977	4,474	4,099	3,203	3,888	3,833	4,014	-0.7%
SPORT GDS, TOYS	2,735	3,314	2,905	2,518	2,380	2,487	2,531	2,467	3,100	3,113	3,260	5.5%
BOOKS/MUSIC	883	2,002	1,795	1,555	1,597	1,987	1,569	736	788	720	754	-14.7%
GEN MERCH GROUP	13,085	13,498	12,476	12,410	6,768	424	2,278	5,955	7,311	8,073	8,454	3.6%
DEPT STORES	13,085	13,440	12,450	12,365	6,721	0	0	0	0	0	0	N.A.
GEN MERCH STORES	0	58	26	46	47	424	2,278	5,955	7,311	8,073	8,454	N.A.
E-COMMERCE	513	548	717	1,023	1,150	1,511	2,366	3,148	3,103	4,151	4,347	29.3%
MISC RETAILERS	29,168	27,175	25,030	19,729	18,367	19,026	18,578	21,061	29,121	28,218	29,551	9.0%
RESTAURANTS & BARS	38,807	40,979	44,057	45,502	45,202	46,415	49,180	52,944	59,040	62,587	65,541	6.7%



Summary: The Performance Rank of 4, measuring sales growth in the most recent year, is below avg. Over the past 10 yrs, the Growth Persistence Index (19.4%) has been low, while the 5 yr Relative Strength Ratio of 0.74 is below the state norm of 1.0. In total sales, the city's rank is 35, while the 5 yr Sales Growth has been 4.5%. Population Growth has averaged 0.55% over the past 5 yrs, compared to a statewide norm of 1.44%

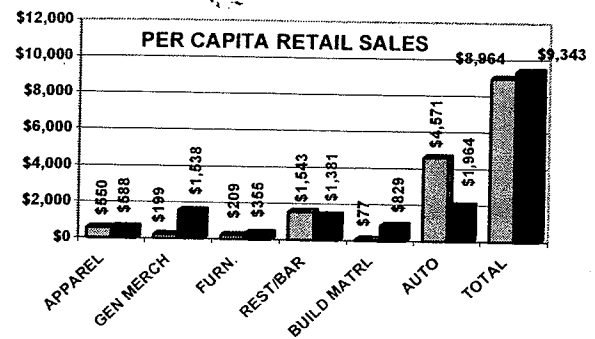
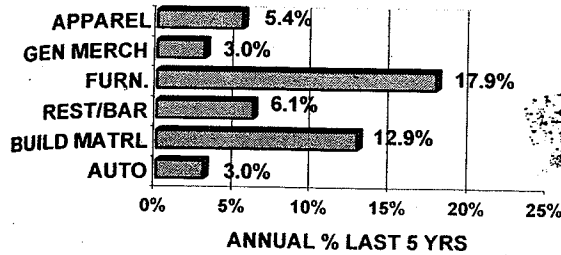
Per Capita Sales are \$8,964, and have been growing at an annual rate of 4.0%. By comparison, total retail sales have been growing at an annual rate of 4.5%. Note: Growth Rates in far right column are annual for period 2002-2007. Sales data for 2008 are forecasts and subject to future adjustment.

EDMONDS (SNOHOMISH)

SALES REPORT & RANKINGS

PER CAPITA \$ SALES	PER CAPITA SALES GROWTH	PER CAPITA SALES RANK	POP. RANK	PERCENT STATEWIDE POP	MEDIAN AGE	HOUSEHOLD SIZE	POPULATION DENSITY
\$8,964	4.0%	97	22	0.625%	42.0	2.32	4,486

PER CAPITA RETAIL SALES GROWTH



PER CAPITA RETAIL SALES	98	99	00	01	02	03	04	05	06	07	08	GROWTH
RETAIL SALES TOTAL	6,912	7,286	7,705	7,561	7,379	7,408	7,661	8,087	8,900	8,964	9,355	4.0%
AUTO GROUP	3,175	3,421	3,894	3,924	3,939	4,030	4,084	4,262	4,626	4,571	4,770	3.0%
NEW & USED AUTO DLR	3,048	3,260	3,722	3,770	3,800	3,882	3,933	4,092	4,489	4,413	4,605	3.0%
RV, BOAT, M/CYCLE	84	107	103	85	72	77	92	112	76	103	107	7.5%
AUTO PARTS & TIRES	44	54	70	69	68	70	59	57	61	55	57	-4.0%
HOME FURN GROUP	121	129	106	121	92	98	103	171	212	209	218	17.9%
ELECTRONICS GROUP	115	206	183	198	150	112	127	124	120	106	110	-6.8%
APPL., TV, OTHER ELECT	19	106	109	119	106	74	77	69	62	62	64	-10.3%
COMPUTER & S/TWARE	96	100	74	79	44	39	49	55	58	44	46	-0.2%
CAMERA & PHOTO SPLY	0	0	0	0	0	0	0	0	0	0	0	N.A.
BUILD MATL GROUP	67	74	64	47	42	47	50	55	72	77	80	12.9%
BUILD MATERIALS	65	70	60	41	36	37	44	50	65	67	70	13.0%
LAWN & GARDEN SPLY	3	3	5	6	6	10	6	5	7	10	10	12.1%
FOOD & BEV GROUP	665	683	699	705	682	673	660	575	538	550	574	-4.2%
GROC & CONV. STORES	646	661	675	681	654	646	626	538	491	508	530	-4.9%
OTHER FOOD & BEV	19	22	24	23	28	28	34	37	46	43	45	8.8%
DRUG/HEALTH STORES	212	169	141	82	55	119	157	171	165	169	177	25.0%
SERV STATIONS GROUP	79	72	71	66	80	83	76	70	79	98	102	4.2%
APPAREL GROUP	330	326	346	325	422	430	473	494	548	550	574	5.4%
CLOTHING & SHOES	303	299	316	297	397	395	440	463	492	519	541	5.5%
JEWELRY & LUGGAGE	27	27	29	28	25	35	32	31	56	31	32	4.3%
SPECIALTY GROUP	91	134	119	103	101	113	103	80	96	95	99	-1.3%
SPORT GDS, TOYS	69	84	73	64	60	63	64	62	77	77	80	4.9%
BOOKS/MUSIC	22	50	45	39	40	50	40	18	20	18	19	-15.2%
GEN MERCH GROUP	330	340	315	313	172	11	57	149	181	199	208	3.0%
DEPT STORES	330	339	315	312	170	0	0	0	0	0	0	N.A.
GEN MERCH STORES	0	1	1	1	1	11	57	149	181	199	208	N.A.
E-COMMERCE	13	14	18	26	29	38	60	79	77	102	107	28.6%
MISC RETAILERS	735	685	633	498	465	481	469	528	722	696	726	8.4%
RESTAURANTS & BARS	978	1,034	1,114	1,149	1,146	1,173	1,241	1,328	1,463	1,543	1,610	6.1%

CITY TREND (YR)	98	99	00	01	02	03	04	05	06	07	08
POPULATION	39,686	39,647	39,544	39,590	39,460	39,580	39,620	39,860	40,360	40,560	40,700

